

CHAPTER 58.

CONSOLIDATION OR RE-INSURANCE OF THE RISKS OF INSURANCE COMPANIES.

H. F. 145.

AN ACT to provide for the consolidation or re-insurance of the risks of insurance companies or associations with or by other companies or associations authorized to transact business within this state, and providing a plan for such consolidation or re-insurance. [Additional to chapters four (4), five (5), six (6), seven (7) and eight (8) of title nine (IX) of the code, relating to insurance.]

Be it enacted by the General Assembly of the State of Iowa:

SECTION 1. "Company" defined. The word "company" or "companies" when used in this act shall mean any company or association organized under the provisions of chapters four, five, six, seven or eight of title nine of the code, except county mutuals.

SEC. 2. Life companies. No company organized under the laws of this state to do the business of life insurance, either on the stock, mutual, stipulated premium or assessment plan, shall consolidate with any other company or re-insure its risks, or any part thereof, with any other company, or assume or re-insure the whole or any part of the risks of any other company, except as hereinafter provided. Provided that nothing contained in this chapter shall prevent any company as defined in section one (1) of this act from re-insuring a fractional part of any single risk.

SEC. 3. Submit plan to auditor of state—statement as to condition. When any such company shall propose to consolidate or enter into any re-insurance contract with any other company, it shall present its plan to the auditor of state, setting forth the terms of its proposed contract of consolidation or re-insurance, asking for the approval or any modification thereof, which the commission hereinafter provided for may approve. The company must also file a statement of its assets and if a legal reserve company, of the reserve value of its policies or contracts.

SEC. 4. Commission to proceed without notice—may require notice. The commission shall proceed to hear and determine such petition, without notice. But if the commission shall deem it necessary in order to conserve the interests of the policy holders that notice shall be given, it shall require the company or companies to notify, by mail, all of the members or policy holders of the said company or companies of the pendency of such petition, and the time and place at which the same will be heard, the length of time of such notice to be determined by the commission.

SEC. 5. Commission—how composed—unanimous approval. For the purpose of hearing and determining such petition, a commission consisting of the governor, auditor of state and attorney-general is hereby created. In the inability of the governor to act, the secretary of state may act in his stead. The commission may make such examination into the affairs and condition of any company or companies as it may deem proper, and shall have power to summon and compel the attendance and testimony of witnesses, and the production of books and papers before said commission and may administer oaths. When notice shall have been given as above provided, any policy holder or stockholder of said company or companies shall have the right to appear before said commission and be heard with reference to said petition. Said commission, if satisfied that the interests of the policy holders of said company or companies are properly protected and no reasonable objection to said petition exists, may authorize the proposed consolidation or re-insurance or may direct such modification thereof as may seem to it best for the interests of the policy holders; and said commission may make such order and disposition of the assets of any such company thereafter remaining as shall be just and equitable. Such consolidation or re-insurance shall

only be approved by the consent of all of the members of said commission, and it shall be the duty of said commission to guard the interests of the policy holders of any such company or companies proposing consolidation or re-insurance. In case of companies organized on the assessment plan, the commission may require the plan of consolidation or re-insurance to be submitted to the membership of such company or companies to be voted upon. When submitted, it shall be at a meeting called for that purpose, thirty days notice being given, and a two-thirds vote of all the members present and voting shall be necessary to an approval of any plan of consolidation or re-insurance, and no proxies shall, in any case, be voted. Any plan of consolidation or re-insurance submitted as herein contemplated, must first have been approved by the commission, and the result of said vote must be filed with the auditor of state and be by him determined before any consolidation or reinsurance shall be effected.

Sec. 6. Companies other than life—approval of plan. When any company or companies not named in section two of this act desire to consolidate or re-insure, it shall only be necessary for such company or companies to submit the plan of consolidation or re-insurance with any other information that may be required, to the auditor of state and the attorney-general and have the same by them approved.

SEC. 7. Consolidation with unauthorized companies prohibited. No company or companies as defined by section one of this act shall consolidate or re-insure with any other company or companies not authorized to transact business in this state.

SEC. 8. Expenses, how paid. All expenses and costs incident to proceedings under the provisions of this chapter, shall be paid by the company or companies bringing the petition.

SEC. 9. Penalty. Any officer, director or stockholder of any company or companies, as defined in this act, violating or consenting to the violation of any of the provisions hereof, shall be punished by a fine of not less than one thousand dollars, or by imprisonment in the county jail for not less than one year, or by both such fine and imprisonment in the discretion of the court.

SEC. 10. In effect. This act, being deemed of immediate importance, shall take effect and be in force from and after the date of its publication in the "Register and Leader" and the "Des Moines Daily Capital," newspapers published in the city of Des Moines, Iowa.

Approved March 30, A. D. 1904.

I hereby certify that the foregoing act was published in the Des Moines Daily Capital March 31, 1904, and the Register and Leader, April 1, 1904.

W. B. MARTIN,
Secretary of State.

CHAPTER 59.

APPROVAL OF POLICIES OR CONTRACTS OF LIFE INSURANCE COMPANIES.

H. F. 889.

AN ACT to provide for the approval of policies or contracts of life insurance companies contemplated by chapter six (6) of title nine (IX) of the code.

Be it enacted by the General Assembly of the State of Iowa:

SECTION 1. Policy forms filed with auditor of state. It shall be unlawful for any insurance company transacting business within this state, under the provisions of chapter six (6) of title nine (9) of the code, to write or use any form of policy or contract of insurance, on the life of any individual in this state, until a copy of such form of policy or contract has been filed with the auditor of state subject to approval or disapproval by the governor, auditor of state and attorney-general, or by any two of them. Any